uMFOLOZI LOCAL MUNICIPALITY

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Glossary

Allocations – Money received from Provincial or National Government or other municipalities.

Budget – The financial plan of the Municipality.

Adjustment budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Budget related policy – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy, credit control and debt collection policy.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality.

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

MFMA – Local Government: Municipal Finance Management Act (56/2003). The principle piece of legislation relating to municipal financial management. Sometimes referred to as the Act.

MIG – Municipal Infrastructure Grant.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Operating expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages.

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure – Generally, is spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget. In uMfolozi Municipality this means at directorate level.

PART 1 – DRAFT ANNUAL BUDGET

Section 1 – Mayor's Report

Honourable Speaker, Deputy Mayor, Members of Executive Committee, Amakhosi of uMfolozi Municipality, Honourable councillors, Municipal Manager, Senior managers, Middle Managers, other members of staff, community members and other stakeholders.

Let us not forget to off-set one year from five (5) years in office, which means that we are only left with three (3) years to deliver services to the people of uMfolozi Local Municipality.

The former President, Nelson Mandela appointed Trevor Manuel as the first Minister of Finance after resignation of Chris Liebenberg from Government of National Unity. Pallo Jordan was replaced by Jay Naidoo as Minister of Post and Telecommunications. Gill Marcus was appointed as Deputy Minister of Finance.

Ministers will come and go in government but the government will remain. Ever since we came in the office, a lot has happened in our Municipality, away from us, close to us, in one way or the other, even within us. The truth of the matter is, we cannot remove the past experiences such as drought and marches, to mention but a few.

I thank the Honourable Speaker and his Council for knowing their responsibilities and for entrusting me with the responsibility of discharging functions assigned to the Office of the Mayor. The elected Council was the first to implement mSCOA with effect from 01 July 2017.

We are required by law that our budget is mSCOA compliant and we must be able to transact across all mSCOA segments.

In terms of Section 24(1) of the MFMA, the Mayor must at least 90 days before the start of the budget year table the draft annual budget to Municipal Council. The 2018/2019 budget is prepared in accordance with the MFMA and the Municipal Budget and Reporting Regulations issued by the Minister in terms of Section 168(1) of the Act.
In terms of these regulations, a multi-year budget spanning over three years is prepared. It needs to be noted that the figures for 2018/2019 – 2020/2021 are indicative in terms of the medium term revenue and expenditure framework. The functions have been ring-fenced in terms of the Council vote structure.

In terms of the tariff increase, we must strive to maintain acceptable levels that will be accommodative of all households in terms of affordability, from the poor to the well-off citizens.

The significant increase in the Property Rates results from the reduction of the Government and Agriculture
Rebates.
With regards to employee related costs, the municipality is guided by law and applicable collective Agreement.

Councillors remuneration is guided by Government Notice on the Remuneration of Public Office Bearers Act published in December 2017.

Section 62(1) of the MFMA stipulates that the Accounting Officer of a Municipality is responsible for managing the financial administration of a municipality and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically.

In terms of legal framework, the elected council and Accounting Officers are required to institute appropriate measures to ensure that the limited resources and public funds are appropriately utilized to ensure value for money is achieved.

The Draft Government Gazette on cost containment is to guide municipalities and municipal entities on cost containment measures that maybe implemented in an effort to address the impact of the country's economic challenges and to promote growth, address unemployment and equality, amongst others.

The total projected revenue and expenditure for 2018/2019 budget tear is R178 million, the total grants and subsidies that will be received is R158 million.

The total budgetary items with direct impact to our communities excluding Infrastructure Projects is R27,7 million. The total Capital Projects funded by Grants is R25 million.

It is worth mentioning that more than 15% of our budget is allocated to youth and women empowerment. One great leader once said, "The children of any nation are its future. A country and a movement that does not value its youth and children does not deserve its future" Oliver Tambo.

1.1.2 Other relevant information

The report is unaudited.

Section 2 – Resolution

On the 28th of March 2018 the Council of uMfolozi Local Municipality met at the Council Chambers of uMfolozi Municipality to consider the approval of the following:

- Approve Draft Annual Budget Schedules
- Approve A1 to A10 Draft Annual Budget Schedules
- Approve SA1 to SA38 Draft Annual Budget supporting tables
- Approval of rates and tariff charges
- Approval of budget related policies

The council of uMfolozi Local Municipality , acting in terms of section 24 of the MFMA 56 of 2003 approves and adopts the draft annual budget of the municipality for the financial year 2018/19 and the multi- year appropriation. Refer to Council Resolution.

Section 3 – Executive Summary

3.1 INTRODUCTION

The application of sound financial management principles for the compilation of municipality's financial plan is essential and critical to ensure that the municipality remains financial viable and that municipal service are provided sustainably, economically and equitably to all communities. Budget are prepared in an environment of uncertainty and assumptions need to be made about both
Internal and external factors that could impact on the budget during the course of the financial year.

Practices (GRAP), MFMA No. 56 of 2003. The budget has been compiled on a three year basis which is a legislative requirement. The draft annual budget documentation must be
adopted by Council not later than 31 March, 90 days before the start of the budget year.

The overall budget amounts to R178 mill. The projected overall spending for the year 2018/2019 amounts to R149 million in the operating budget and R28 million in the capital budget.

The total estimated operational revenue R178 million for 2018/2019 from own sources is the estimation of R18.7 million and estimated R158 million from National Treasury, Provincial Treasury as grants and subsidies.

The employee costs amounts to R65.5 million which represent 43.9% of the full year forecast of operating expenditure. This includes the vacant post which has not yet been filled. Salaries have been budgeted for as per existing organogram taking into account the notch progression implemented in July 2017.

The municipality existence of budget related policies ensure the proper monitoring of municipal budget; the existence of the policies is useful in monitoring the expenditure throughout the financial year.

Events Overview:

- The 2018/2019 Draft Integrated Development Plan was adopted on the 28th of March 2018.
- uMfolozi Local Municipality subsequently received an unqualified audit opinion for the year 2016/17.
- The Budget will be monitored through section 71 reports monthly.
- The budget prepared is Municipal Standard Charts of Accounts compliant.

Municipal Standard Charts of Accounts implementation to date (mSCOA)

Achievements to date

- Successful mSCOA implementation on the 1st of July 2017
- Successful integration of third party system to the new reporting system
- User processing in mSCOA data base

Going Forward the following milestones has to be achieved before June 2018

- Population of reliable budget and reports
- Alignment of IDP/SDPIP and budget to mSCOA segments

3.2 PURPOSE

Municipal Finance Management Act No. 56 of 2003 section 16 (2) states that the Mayor must table the draft annual budget at least 90 days before the start of the budget year. The draft annual budget and Medium Term Revenue and Expenditure have been compiled in terms of the provisions of the Local Government: Municipal Finance Management Act, MFMA Circulars 91, as well as the MFMA Budget and Reporting Regulations.

The tabling of 2018/19 draft annual budget to council.

3.3 STRATEGIC OBJECTIVE

The strategic objective of this report is to ensure good governance, financial viability and optimal institutional transformation with capacity to execute its mandate.

Section 21 of the MFMA (act 56 of 2003) requires that:

(1)The mayor of a municipality must-

(a) co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget-related policies are mutually consistent and credible;

(b) at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines.

3.4 CONSOLIDATED PERFORMANCE

3.4.1 Draft Annual Budget

Revenue by source

The municipality revenue has been estimated to be R178 million while the equitable share is projected to be R115 million, Expanded Public Works Programme grant is R1.620 million, Finance Management Grant R1, 9 million, Integrated National Electrification Programme grant is R11 million, Municipal Infrastructure Grant R24, 5 million, Community Services Library is R950k and Provincialisation of Libraries is R1,7 million for the financial year 2018/19.

Property Rates is budgeted at R16.6 million and Revenue from refuse removal is R400k. There has been a significant increase in property rates budget due to reduction in rebate portion on State owned properties as

well as Agricultural properties. Tariffs have been increased by different percentages across all consumer groups. The increase also affects the refuse charges and interest on arrears. It is important to note that revenue from property rates is still experiencing poor collection but it should be taken into consideration that negotiation with rates payers to ensure that the services are paid on time.

Rental income is received for IEC, hall hire charges and other employees that rent municipal properties. There has been a reduction in demand for hall hire and the contract for WDB has been terminated and as a result rental income was not increased.

Interest earned is the estimated interest to be received on short term investments of excess funds. Due to poor collection of fines there was no increment budgeted for fines revenue. Licences have been budgeted at 475k due to testing ground that is under construction and it is believed that revenue from licences will increase.

Other revenue consists of tender monies, SDL refunds, clearance certificates and dumping charges. The significant increase is due to budget for dumping fees previously not budgeted for.

Operating expenditure by type

Total operating expenditure has been estimated to R149 million. The budgeted allocation for employee related costs for the 2018/19 financial year totals R65.5 million, which equals 43.9 per cent of the total Operating expenditure. Expenditure against overtime is only provided for emergency services and other critical functions. The significant increase in employee cost is due to notch progression as well as the backpays on Notches from the year 2010.

The salary and wage collective agreement has come to an end and an increment of 7.3% has been budgeted for.
The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

Since property rates have increased significantly, this result in high debt impairment provision.
A provision of interest amounting 530k has been made since the municipality has a loan with Absa Bank for Construction of Thusong Centre.

Cash flows
The municipality began the financial year with positive cash & cash equivalents. Cognisance must be taken of the current commitment against the available cash and investments. The grants received are Equitable Share R115 million; FMG R1.9 million; Library Grant R2.6 million; EPWP R1.6 million; MIG R25 million; INEG R11 million.
The above mentioned grants have been monitored accordingly in order to improve the cash flows of the municipality and ensure compliance in spending. The municipality has a loan with Absa bank for construction of Thusong Centre. Finance cost as well as capital repayment has been taken into consideration in cash flow budgeting.

Capital expenditure
Capital expenditure has been estimated to R24.5 million. The capital expenditure includes the budget for the Infrastructure Projects such as roads, crèches and halls for the community and other capital expenditure used For operational purposes.

3.5 CONCLUSION
Performance of revenue situation will be monitored closely. Operating expenditure will also be closely monitored to ensure appropriation of expenditure according to the budget.

Section 4– Draft Annual budget tables

Table A1: Budget Summary

The draft annual budget amounts to R178 million while the operating expenditure amounts to R149 million. Property rates amounts to R16.6 million. The significant increase is due to reduction in rebates for State owned properties and Agricultural properties.
The municipality has also anticipated the interest on investment for an amount of R300k. These are short term investments that the municipality makes to safeguard municipal cash and to earn interest.

Rental income is received for IEC, hall hire charges and other employees that rent municipal properties. There has been a reduction in demand for hall hire and the contract for WDB has been terminated and as a result rental income was not increased.

Interest earned is the estimated interest to be received on short term investments of excess funds. Due to poor collection of fines there was no increment budgeted for fines revenue. Licences have been budgeted at 475k due to testing ground that is under construction and it is believed that revenue from licences will increase.

Other revenue consists of tender monies, SDL refunds, clearance certificates and dumping charges.
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A provision of interest amounting 530k has been made since the municipality has a loan with Absa Bank for Construction of Thusong Centre.

KZN281 Mfolozi - Table A1 Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Financial Performance										
Property rates	**6 490**	6 857	7 502	5 975	2 500	8 475	8 475	16 630	17 462	18 335
Service charges	279	312	343	338	–	338	338	400	420	441
Investment revenue	627	1 159	1 403	800	(300)	500	500	300	315	331
Transfers recognised - operational	84 975	110 211	113 271	112 439	14 706	127 145	127 145	132 876	139 403	150 924
Other own revenue	12 567	5 837	16 665	16 826	(15 275)	1 551	1 551	1 691	1 776	1 864
Total Revenue (excluding capital transfers and contributions)	104 938	124 376	139 185	136 378	1 631	138 009	138 009	151 897	159 375	171 894
Employee costs	23 468	27 307	37 696	42 905	3 389	46 294	46 294	56 656	61 305	66 668
Remuneration of councillors	7 919	8 439	8 861	8 849	1 642	10 491	10 491	10 491	10 748	10 748
Depreciation & asset impairment	4 632	6 300	7 962	–	1 800	1 800	1 800	2 000	2 100	2 205
Finance charges	310	332	1 119	–	153	153	153	530	852	888
Materials and bulk purchases	–	–	–	–	3 180	3 180	3 180	5 281	5 599	5 820
Transfers and grants	5 810	11 565	10 823	–	1 210	1 210	1 210	865	1 590	1 736
Other expenditure	54 272	66 322	77 503	68 248	1 703	69 951	69 951	73 373	71 060	76 957
Total Expenditure	96 411	120 265	143 965	120 002	13 077	133 079	133 079	149 195	153 255	165 022
Surplus/(Deficit)	8 527	4 111	(4 781)	16 376	(11 446)	4 930	4 930	2 702	6 121	6 872
Transfers and subsidies - capital (monetary alloc	37 617	31 372	31 142	43 623	(12 331)	31 292	31 292	25 761	26 224	27 505
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	46 144	35 483	26 362	59 999	(23 777)	36 222	36 222	28 463	32 345	34 377
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	46 144	35 483	26 362	59 999	(23 777)	36 222	36 222	28 463	32 345	34 377
Capital expenditure & funds sources										
Capital expenditure	**46 144**	35 484	54 491	60 000	8 976	36 222	36 222	28 463	32 344	34 377
Transfers recognised - capital	**46 144**	35 484	35 914	43 623	(12 331)	31 292	31 292	24 473	24 913	26 130
Public contributions & donations	–	–	13 834	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	4 741	16 377	(11 447)	4 930	4 930	3 990	7 432	8 248
Total sources of capital funds	**46 144**	35 484	54 489	60 000	(23 778)	36 222	36 222	28 463	32 344	34 377
Financial position										
Total current assets	**15 440**	14 193	12 906	18 000	(10 000)	8 000	8 000	7 937	8 750	8 500
Total non current assets	**141 001**	183 960	231 586	95 320	172 487	267 807	267 807	296 270	328 614	362 992
Total current liabilities	**25 397**	32 007	43 396	9 500	–	9 500	9 500	7 937	8 750	8 500
Total non current liabilities	**3 361**	2 979	11 564	–	–	–	–	–	–	–
Community wealth/Equity	**127 683**	163 167	189 531	103 820	162 487	266 307	266 307	296 270	328 614	362 992
Cash flows										
Net cash from (used) operating	**50 907**	47 431	37 855	16 378	21 909	38 287	38 287	31 213	35 232	37 409
Net cash from (used) investing	**(50 068)**	(49 292)	(41 754)	(16 377)	(19 845)	(36 222)	(36 222)	(28 463)	(32 344)	(34 377)
Net cash from (used) financing	**2 194**	(1 117)	5 302	–	(1 800)	(1 800)	(1 800)	(692)	(370)	(334)
Cash/cash equivalents at the year end	**3 189**	211	1 614	2 355	(476)	1 879	1 879	3 937	6 454	9 152
Cash backing/surplus reconciliation										
Cash and investments available	**3 188**	211	1 614	11 500	(10 000)	1 500	1 500	3 937	1 800	1 500
Application of cash and investments	**21 693**	27 234	40 444	3 000	–	3 000	3 000	4 027	1 956	1 657
Balance - surplus (shortfall)	**(18 505)**	(27 023)	(38 830)	8 500	(10 000)	(1 500)	(1 500)	(90)	(156)	(157)
Asset management										
Asset register summary (WDV)	**95 545**	180 873	230 635	41 623	(5 401)	36 222		28 463	32 344	34 377
Depreciation	–	–	7 956	2 000	(200)	1 800		2 000	2 100	2 205
Renewal of Existing Assets	–	–	–	–	–	–		–	–	–
Repairs and Maintenance	–	6 344	3 821	8 600	(2 479)	6 121		6 900	7 244	10 197
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	**3 909**	4 113	–	–	–	–	–	–	–	–
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

Table A2: Budgeted Financial Performance – Standard Classification

The draft annual budget amounts to R178 million while the capital expenditure amounts to R28.5 million for 2018/2019 financial year.

KZN281 Mfolozi - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional										
Governance and administration		**94 738**	**112 677**	**170 327**	**133 170**	**(12 624)**	**120 546**	**146 687**	**155 679**	**167 992**
Executive and council		32 000	35 500	–	108 532	(108 532)	–	–	–	–
Finance and administration		62 738	77 177	170 327	24 638	95 908	120 546	146 687	155 679	167 992
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**–**	**–**	**–**	**6 007**	**–**	**6 007**	**2 715**	**2 777**	**2 937**
Community and social services		–	–	–	2 007	–	2 007	2 626	2 777	2 937
Sport and recreation		–	–	–	4 000	–	4 000	89	–	–
Public safety		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		**7 700**	**8 700**	**–**	**27 823**	**169**	**54 615**	**26 236**	**26 723**	**28 029**
Planning and development		–	–	–	26 623	(26 623)	26 623	–	–	–
Road transport		7 700	8 700	–	1 200	26 792	27 992	26 236	26 723	28 029
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		**40 117**	**34 372**	**–**	**13 000**	**1 756**	**14 756**	**2 020**	**420**	**441**
Energy sources		–	–	–	13 000	–	13 000	–	–	–
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		40 117	34 372	–	–	1 756	1 756	2 020	420	441
Other	4	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue - Functional	2	142 555	155 749	170 327	180 000	(10 700)	169 300	177 658	185 599	199 399
Expenditure - Functional										
Governance and administration		**84 411**	**106 765**	**143 965**	**93 909**	**(10 891)**	**83 018**	**90 497**	**96 494**	**101 407**
Executive and council		13 000	14 000	–	41 567	(7 727)	33 840	34 895	37 080	38 870
Finance and administration		71 411	92 765	143 965	52 342	(3 164)	49 178	55 602	59 414	62 537
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		**5 000**	**5 500**	**–**	**3 765**	**10 851**	**14 616**	**14 412**	**15 063**	**18 390**
Community and social services		–	–	–	3 765	6 252	10 017	9 640	9 906	12 869
Sport and recreation		–	–	–	–	104	104	–	–	–
Public safety		5 000	5 500	–	–	3 343	3 343	4 773	5 157	5 521
Housing		–	–	–	–	652	652	–	–	–
Health		–	–	–	–	500	500	–	–	–
Economic and environmental services		**5 000**	**5 500**	**–**	**19 551**	**(1 031)**	**18 520**	**34 915**	**31 809**	**34 775**
Planning and development		–	–	–	19 551	(10 528)	9 023	7 435	6 764	7 550
Road transport		5 000	5 500	–	–	9 437	9 437	27 431	24 993	27 170
Environmental protection		–	–	–	–	60	60	50	53	55
Trading services		**2 000**	**2 500**	**–**	**1 764**	**15 160**	**16 924**	**9 371**	**9 889**	**10 450**
Energy sources		–	–	–	–	13 200	13 200	500	525	551
Water management		–	–	–	–	10	10	2 350	2 468	2 591
Waste water management		–	–	–	–	300	300	315	331	347
Waste management		2 000	2 500	–	1 764	1 650	3 414	6 206	6 566	6 960
Other	4	**–**	**–**	**–**	**1 011**	**(1 011)**	**–**	**–**	**–**	**–**
Total Expenditure - Functional	3	96 411	120 265	143 965	120 000	13 078	133 078	149 195	153 255	165 022
Surplus/(Deficit) for the year		**46 144**	**35 484**	**26 362**	**60 000**	**(23 778)**	**36 222**	**28 463**	**32 344**	**34 377**

Table A3: Budgeted Financial Performance (Revenue and Expenditure by municipal vote)

The draft annual budget amounts to R178 million, Capital Expenditure amounts to R28.5 million while operating expenditure amounts to R149 million

KZN281 Mfolozi - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote	1									
Vote 1 - [EXECUTIVE AND COUNCIL]		32 000	35 500	–	108 532	(108 532)	–	–	–	–
Vote 2 - [FINANCIAL SERVICES]		55 238	68 677	170 327	24 638	96 245	120 883	146 787	155 784	168 103
Vote 3 - [CORPORATE SERVICES]		10 000	11 500	–	–	–	–	300	315	331
Vote 4 - [COMMUNITY SERVICES]		7 700	8 700	–	3 207	3 500	6 707	3 190	3 276	3 461
Vote 5 - [TECHNICAL SERVICES]		37 617	31 372	–	43 623	(1 913)	41 710	27 381	26 224	27 505
Vote 6 - [NAME OF VOTE 6]		–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	142 555	155 749	170 327	180 000	(10 700)	169 300	177 658	185 599	199 399
Expenditure by Vote *to be appropriated*	1									
Vote 1 - [EXECUTIVE AND COUNCIL]		13 000	14 000	–	41 567	(592)	40 975	40 174	42 390	45 143
Vote 2 - [FINANCIAL SERVICES]		15 411	39 765	143 965	22 348	564	22 912	24 436	25 833	27 657
Vote 3 - [CORPORATE SERVICES]		13 500	14 500	–	7 242	8 406	15 648	25 665	26 709	26 918
Vote 4 - [COMMUNITY SERVICES]		15 500	17 000	–	29 292	(8 247)	21 045	25 330	27 270	29 017
Vote 5 - [TECHNICAL SERVICES]		39 000	35 000	–	19 551	12 947	32 498	33 590	31 052	36 286
Vote 6 - [NAME OF VOTE 6]		–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	96 411	120 265	143 965	120 000	13 078	133 078	149 195	153 255	165 022
Surplus/(Deficit) for the year	2	**46 144**	**35 484**	**26 362**	**60 000**	**(23 778)**	**36 222**	**28 463**	**32 344**	**34 377**

Table A4: Budgeted Financial Performance (Revenue and Expenditure)

- Property rates budgeted at R16.6 million after taking into account revenue forgone estimates.
- Service Charges refuse revenue budgeted at R400k.
- Rental of Office building, Council is budgeted at R220k which take into account the amount that can be collected in respect of Interest on external investments budgeted at 300k the assumption is that the municipality will be in the position to invest in short term investments some equitable share

that will be received from Treasury.

- Fines, penalties and forfeits is budgeted for at R300k taking into consideration that there is poor collection in fines.
- Licence and permit has been budgeted for at R475k which has anticipated as being realistic to collect the leaners licence income, building plans and business licences.
- Equitable share the municipality has been gazetted an amount of R115 million, Financial Management Grant an amount of R1.9 million has been gazetted. For Expanded Public Works Programme Grant has been gazetted an amount of R1.6 million and the Library grant has been gazetted an amount of R2.6 million. The total of R158,6 million from Transfers and Subsidies included all the grants allocations mentioned above.
- Other income included Sale of tender documents, skills levy refund, clearance certificates and dumping fees.
- Employee related cost and Councillors Remuneration is budgeted at R65,5 million which includes vacant posts. The estimated increase percentage for employees is 7.3% and for councillors it was taken into consideration the latest upper limits for councillors. .
- Depreciation is budgeted at R2 million taking in to consideration the methods of depreciation.
- Contracted services include valuation costs, sanitation costs, security services, cleaning services, internal audit, professional fees, electrification programme expenditure and all other expenditure that is outsourced.
- Transfer Grants and Donation includes donations made by councillors at their own discretion.
- Capital expenditure estimates allocation gazetted at R24.5 million for Municipal Infrastructure Grant (Capital expenditure on MIG exclude 5% top slice used on operational expenditure).

KZN281 Mfolozi - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source											
Property rates	2	6 490	6 857	7 502	5 975	2 500	8 475	8 475	16 630	17 462	18 335
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	279	312	343	338	–	338	338	400	420	441
Service charges - other											
Rental of facilities and equipment		111	142	194	520	(300)	220	220	220	231	243
Interest earned - external investments		627	1 159	1 403	800	(300)	500	500	300	315	331
Interest earned - outstanding debtors		933	704	284	100	300	400	400	420	441	463
Dividends received							–	–			
Fines, penalties and forfeits		10 050	4 154	1 042	800	(500)	300	300	300	315	331
Licences and permits		726	294	364	400	–	400	400	475	499	524
Agency services							–				
Transfers and subsidies		84 975	110 211	113 271	112 439	14 706	127 145	127 145	132 876	139 403	150 924
Other revenue	2	747	544	14 780	15 006	(14 775)	231	231	276	290	304
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		**104 938**	**124 376**	**139 185**	**136 378**	**1 631**	**138 009**	**138 009**	**151 897**	**159 375**	**171 894**
Expenditure By Type											
Employee related costs	2	23 468	27 307	37 696	42 905	3 389	46 294	46 294	56 656	61 305	66 668
Remuneration of councillors		7 919	8 439	8 861	8 849	1 642	10 491	10 491	10 491	10 748	10 748
Debt impairment	3	9 495	3 762	6 807		265	265	265	750	788	827
Depreciation & asset impairment	2	4 632	6 300	7 962	–	1 800	1 800	1 800	2 000	2 100	2 205
Finance charges		310	332	1 119		153	153	153	530	852	888
Bulk purchases	2	–	–	–	–	–	–	–	–	–	–
Other materials	8					3 180	3 180	3 180	5 281	5 599	5 820
Contracted services		2 177	2 724	3 985	4 800	33 843	38 643	38 643	40 380	37 018	41 043
Transfers and subsidies		5 810	11 565	10 823	–	1 210	1 210	1 210	865	1 590	1 736
Other expenditure	4, 5	42 543	59 836	66 711	63 448	(32 405)	31 043	31 043	32 243	33 255	35 087
Loss on disposal of PPE		56									
Total Expenditure		**96 411**	**120 265**	**143 965**	**120 002**	**13 077**	**133 079**	**133 079**	**149 195**	**153 255**	**165 022**
Surplus/(Deficit)		**8 527**	**4 111**	**(4 781)**	**16 376**	**(11 446)**	**4 930**	**4 930**	**2 702**	**6 121**	**6 872**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		37 617	31 372	31 142	43 623	(12 331)	31 292	31 292	25 761	26 224	27 505
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		**46 144**	**35 483**	**26 362**	**59 999**	**(23 777)**	**36 222**	**36 222**	**28 463**	**32 345**	**34 377**
Taxation											
Surplus/(Deficit) after taxation		46 144	35 483	26 362	59 999	(23 777)	36 222	36 222	28 463	32 345	34 377
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		**46 144**	**35 483**	**26 362**	**59 999**	**(23 777)**	**36 222**	**36 222**	**28 463**	**32 345**	**34 377**
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		**46 144**	**35 483**	**26 362**	**59 999**	**(23 777)**	**36 222**	**36 222**	**28 463**	**32 345**	**34 377**

Table A5: Budgeted Capital Expenditure Budget by vote, standard classification and funding

The Capital Expenditure is estimated at R28.5 million for 2018/19 financial year

KZN281 Mfolozi - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - [EXECUTIVE AND COUNCIL]		–	–	–	–	–	–	–	–	–	–
Vote 2 - [FINANCIAL SERVICES]		–	–	–	–	–	–	–	–	–	–
Vote 3 - [CORPORATE SERVICES]		–	–	–	–	–	–	–	–	–	–
Vote 4 - [COMMUNITY SERVICES]		–	–	–	–	–	–	–	–	–	–
Vote 5 - [TECHNICAL SERVICES]		–	–	–	–	–	–	–	–	–	–
Vote 6 - [NAME OF VOTE 6]		–	–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	–	–	–	–	–	–	–	–	–	–
Single-year expenditure *to be appropriated*	2										
Vote 1 - [EXECUTIVE AND COUNCIL]		–	–	–	–	–	–	–	100	105	110
Vote 2 - [FINANCIAL SERVICES]		–	–	–	16 377	(13 577)	2 800	–	1 132	1 467	2 060
Vote 3 - [CORPORATE SERVICES]		–	–	–	–	2 000	2 000	–	2 150	5 258	5 437
Vote 4 - [COMMUNITY SERVICES]		–	–	–	–	130	130	–	608	602	641
Vote 5 - [TECHNICAL SERVICES]		–	–	–	43 623	(12 331)	31 292	–	24 473	24 913	26 130
Vote 6 - [NAME OF VOTE 6]		–	–	–	–	–	–	–	–	–	–
Vote 7 - [NAME OF VOTE 7]		–	–	–	–	–	–	–	–	–	–
Vote 8 - [NAME OF VOTE 8]		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		–	–	–	60 000	(23 778)	36 222	–	28 463	32 344	34 377
Total Capital Expenditure - Vote		–	–	–	60 000	(23 778)	36 222	–	28 463	32 344	34 377
Capital Expenditure - Functional											
Governance and administration		–	–	17 731	–	4 930	4 930	4 930	3 382	6 830	7 607
Executive and council						1 000	1 000	1 000	450	473	496
Finance and administration				17 731		3 930	3 930	3 930	2 932	6 357	7 111
Internal audit											
Community and public safety		–	–	18 183	–	22 179	22 179	22 179	14 772	12 512	15 734
Community and social services				18 183		11 554	11 554	11 554	14 772	12 512	15 734
Sport and recreation						10 625	10 625	10 625			
Public safety											
Housing											
Health											
Economic and environmental services		–	–	–	30 623	(21 510)	9 113	9 113	10 309	13 002	11 037
Planning and development					26 623	(26 623)	–	–	9 789	12 456	10 452
Road transport					4 000	5 113	9 113	9 113	520	546	585
Environmental protection											
Trading services		46 144	35 484	–	13 000	(13 000)	–	–	–	–	–
Energy sources					13 000	(13 000)	–	–			
Water management											
Waste water management											
Waste management		46 144	35 484								
Other				18 577	16 377	16 377					
Total Capital Expenditure - Functional	3	46 144	35 484	54 491	60 000	8 976	36 222	36 222	28 463	32 344	34 377
Funded by:											
National Government		46 144	31 484	35 914	39 623	(14 331)	25 292	25 292	24 473	24 913	26 130
Provincial Government			4 000	–	4 000	2 000	6 000	6 000			
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	46 144	35 484	35 914	43 623	(12 331)	31 292	31 292	24 473	24 913	26 130
Public contributions & donations	5			13 834							
Borrowing	6										
Internally generated funds				4 741	16 377	(11 447)	4 930	4 930	3 990	7 432	8 248
Total Capital Funding	7	46 144	35 484	54 489	60 000	(23 778)	36 222	36 222	28 463	32 344	34 377

Table A6: Budgeted Financial Position

- The total current assets budgeted for amounts to R304.2million. The budget includes the additions to PPE and intangible assets as well as the balances brought forward for 2017/2018

KZN281 Mfolozi - Table A6 Budgeted Financial Position

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
ASSETS											
Current assets											
Cash		3 188	211	1 614	1 500	–	1 500	1 500	3 937	1 800	1 500
Call investment deposits	1	–	–	–	10 000	(10 000)	–	–	–	–	–
Consumer debtors	1	8 295	10 883	5 338	–	–	–	–	4 000	6 950	7 000
Other debtors		3 957	3 099	5 953	6 500	–	6 500	6 500			
Current portion of long-term receivables											
Inventory	2										
Total current assets		15 440	14 193	12 906	18 000	(10 000)	8 000	8 000	7 937	8 750	8 500
Non current assets											
Long-term receivables											
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	140 957	183 949	230 635	95 000	171 357	266 357	266 357	294 070	325 627	359 189
Agricultural											
Biological											
Intangible		44	12	950	320	1 130	1 450	1 450	2 200	2 988	3 804
Other non-current assets											
Total non current assets		141 001	183 960	231 586	95 320	172 487	267 807	267 807	296 270	328 614	362 992
TOTAL ASSETS		156 442	198 153	244 491	113 320	162 487	275 807	275 807	304 207	337 364	371 492
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	–	–	1 224	–	–	–	–	–	–	–
Consumer deposits											
Trade and other payables	4	25 397	32 007	42 172	9 500	–	9 500	9 500	7 937	8 750	8 500
Provisions											
Total current liabilities		25 397	32 007	43 396	9 500	–	9 500	9 500	7 937	8 750	8 500
Non current liabilities											
Borrowing		3 361	2 979	11 564	–	–	–	–	–	–	–
Provisions		–	–	–	–	–	–	–	–	–	–
Total non current liabilities		3 361	2 979	11 564	–	–	–	–	–	–	–
TOTAL LIABILITIES		28 758	34 986	54 960	9 500	–	9 500	9 500	7 937	8 750	8 500
NET ASSETS	5	127 683	163 167	189 531	103 820	162 487	266 307	266 307	296 270	328 614	362 992
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		127 683	163 167	189 531	103 820	162 487	266 307	266 307	296 270	328 614	362 992
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	127 683	163 167	189 531	103 820	162 487	266 307	266 307	296 270	328 614	362 992

Table A7: Budgeted Cash Flows

- Property rates the Council is anticipating to collect R16.6 million.
- Service Charges the Council is anticipating to collect R400k.
- Government grants is anticipated to an amount R158.6 million
- Interest Income is budgeted at R300k.

- Transfer and grants R595k councillors discretion.
- A capital asset is the amount budgeted for capital expenditure.
- Repayment of the loan borrowed for an amount of R7 million

KZN281 Mfolozi - Table A7 Budgeted Cash Flows

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		4 786	3 500	3 473	5 975	2 500	8 475	8 475	16 630	17 462	18 335
Service charges		279	312		338	–	338	338	400	420	441
Other revenue		781	628	278	16 826	(15 275)	1 551	1 551	1 271	1 335	1 401
Government - operating	1	79 760	108 000	144 894	112 439	14 706	127 145	127 145	132 876	139 403	150 924
Government - capital	1	37 662	31 372			31 292	31 292	31 292	25 761	26 224	27 505
Interest		1 560	1 862	1 687	800	(300)	500	500	720	756	794
Dividends									–	–	–
Payments											
Suppliers and employees		(73 910)	(98 223)	(112 478)	(120 000)	(9 651)	(129 651)	(129 651)	(145 050)	(147 925)	(159 366)
Finance charges		(10)	(20)			(153)	(153)	(153)	(530)	(852)	(888)
Transfers and Grants	1					(1 210)	(1 210)	(1 210)	(865)	(1 590)	(1 736)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**50 907**	**47 431**	**37 855**	**16 378**	**21 909**	**38 287**	**38 287**	**31 213**	**35 232**	**37 409**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		145			43 623	(43 623)	–	–	–	–	–
Decrease (Increase) in non-current debtors									–	–	–
Decrease (increase) other non-current receivables									–	–	–
Decrease (increase) in non-current investments									–	–	–
Payments											
Capital assets		(50 213)	(49 292)	(41 754)	(60 000)	23 778	(36 222)	(36 222)	(28 463)	(32 344)	(34 377)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(50 068)**	**(49 292)**	**(41 754)**	**(16 377)**	**(19 845)**	**(36 222)**	**(36 222)**	**(28 463)**	**(32 344)**	**(34 377)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits									–	–	–
Payments											
Repayment of borrowing		2 194	(1 117)	5 302		(1 800)	(1 800)	(1 800)	(692)	(370)	(334)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**2 194**	**(1 117)**	**5 302**	**–**	**(1 800)**	**(1 800)**	**(1 800)**	**(692)**	**(370)**	**(334)**
NET INCREASE/ (DECREASE) IN CASH HELD		**3 033**	**(2 978)**	**1 403**	**1**	**264**	**265**	**265**	**2 058**	**2 517**	**2 698**
Cash/cash equivalents at the year begin:	2	**156**	**3 188**	**211**	**2 354**	**(740)**	**1 614**	**1 614**	**1 879**	**3 937**	**6 454**
Cash/cash equivalents at the year end:	2	**3 189**	**211**	**1 614**	**2 355**	**(476)**	**1 879**	**1 879**	**3 937**	**6 454**	**9 152**

Table A8: Cash backed reserves/ Accumulated surplus reconciliation

KZN281 Mfolozi - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash and investments available											
Cash/cash equivalents at the year end	1	3 189	211	1 614	2 355	(476)	1 879	1 879	3 937	6 454	9 152
Other current investments > 90 days		(0)	–	–	9 145	(9 524)	(379)	(379)	–	(4 654)	(7 652)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**3 188**	**211**	**1 614**	**11 500**	**(10 000)**	**1 500**	**1 500**	**3 937**	**1 800**	**1 500**
Application of cash and investments											
Unspent conditional transfers		4 765	5 564	6 044	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–		–	–	–
Statutory requirements	2										
Other working capital requirements	3	16 928	21 670	34 400	3 000	–	3 000	3 000	4 027	1 956	1 657
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		21 693	27 234	40 444	3 000	–	3 000	3 000	4 027	1 956	1 657
Surplus(shortfall)		**(18 505)**	**(27 023)**	**(38 830)**	**8 500**	**(10 000)**	**(1 500)**	**(1 500)**	(90)	(156)	(157)

Table A9: Asset Management

- The asset management has clear indicating the asset management per asset class as per the mSCOA requirements
- The depreciation has also been splited as per the assets class
- The repairs and maintenance has also been splited as per each class of the asset

PART 2 – SUPPORTING DOCUMENTATION

Section 5- Overview of Annual Budget Process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality Meeting under the chairpersonship of the MMC for Finance.

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Council IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

Section 6- Overview of alignment of Annual Budget with Integrated Development Plan

- A three (3) year capital budget has been prepared and built on the IDP document and was tabled in Council on the 28th of March 2018.
- This budget compiled in line with the Municipal Budgeting and Reporting Regulation (MBRR) notice no 31804 of 2009 provides comparative financial information over a systematic number of years. The extent of the indigent support granted by Council to indigent households in the municipal area will be determined based on budgetary allocation for a particular financial year and the tariff charges.
- The key focal point of the municipality is ensuring that its budget complies with the following three criteria:

Sustainability - to ensure that the municipality has sufficient revenue and adequate corporate and financial stability to fund and deliver on its budget.

Credibility - to ensure that the municipality, with its ability and capacity to spend, deliver in terms of its budget.

Governance - that the Municipality has appropriate capacity and stability to ensure the long term sustainability of service delivery.

KZN281 Mfolozi - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Property Rates	To Enhance Services Delivery	N/A		6 490	6 857	7 502	5 975	2 500	8 475	16 630	17 462	18 335
Service Charge	To Enhance Services Delivery	N/A		279	312	343	338	–	338	400	420	441
Rental of Facilities and Equipment	To Enhance Services Delivery	N/A		111	142	194	520	(300)	220	220	231	243
Interest Income	To Enhance Services Delivery	N/A		1 560	1 863	1 687	800	(300)	500	720	756	794
Traffic Fines	To Enhance Services Delivery	N/A		10 050	4 154	1 042	800	(500)	300	300	315	331
Licences and Permits	To Enhance Services Delivery	N/A		726	294	364	400	–	400	475	499	524
Transfers and Subsidies - Operational				84 975	110 211	144 414	112 439	14 706	127 145	132 876	139 403	150 924
Transfers and Subsidies - Capital				38 364	31 916		43 623	(12 331)	31 292	25 761	26 224	27 505
Other revenue						14 780				276	290	304
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	142 555	155 749	170 327	164 895	3 775	168 670	177 658	185 599	199 399

KZN281 Mfolozi - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Employee Related Cost				23 467	27 307	37 696	42 905	3 389	46 294	56 656	61 305	66 668
Remuneration of Councillors				7 919	8 439	8 861	8 849	1 642	10 491	10 491	10 748	10 748
Debt Impairment				9 495	3 762	6 807	–	265	265	750	788	827
Depreciation and Assets Impairment				4 632	6 301	7 962	–	1 800	1 800	2 000	2 100	2 205
Finance Charges				310	332	1 119	–	153	153	530	852	888
Contracted Services				2 178	2 724	3 985	4 800	33 843	38 643	40 380	37 018	41 043
Transfers and Subsidies				5 810	11 565	10 823	–	1 210	1 210	865	1 590	1 736
Loss on Disposalof Fixed Assets				56			–	–	–			
Other Expenditure				42 543	59 835	66 711	63 448	(32 405)	31 043	32 243	33 255	35 087
Other material							–	3 180	3 180	5 281	5 599	5 820
Allocations to other priorities												
Total Expenditure			1	96 410	120 265	143 965	120 002	13 077	133 079	149 195	153 255	165 022

Section 7- Measurable Performance Objectives and Indicators

The performance indicators will be included in the Municipal Services Delivery and Budget Implementation Plan (SDBIP) which will be submitted to National and Provincial Treasury.

Section 8- Overview of budget related policies

The municipality has various policies which relate to budgeting and financial management in the municipality. These Financial policies comply with the MFMA and its promulgated regulations. The following budget related policies are:

- Draft Indigent Policy
- Draft Petty Cash Policy
- Draft Subsistence and Travel Allowance Policy
- Draft Investment and Cash Management Policy
- Draft Property Rates Policy
- Draft Supply Chain Management Policy
- Draft Tariff Policy
- Draft Virement Policy
- Draft Anti-fraud Management
- Draft Asset Management Policy
- Draft Budget and Reserve Policy

Section 9- Overview of budget assumptions

Table A1 to A10 provides the draft annual budget tables while supporting tables from table SA1 to SA38 is the supporting tables. The following are the assumptions that were done when the budget was prepared.

- Property rates have been increased across all user groups. Rebates have been reduced for Agricultural and State Owned properties which cause significant increase in rates, service charges and interest on arrears.
- Rental of Office building, Council believes it is still realistic to collect R220k
- Interest on external short term investments was adjusted by R300k as it is assumed that the municipality will make short term investment during 2018/2019 financial year.
- Traffic Fine, traffic unit has employed additional Traffic staff to ensure the collection of R300k so amount budgeted for is realistic.
- Licence and permit has been adjusted hence Council still anticipate that it is realistic to be collect an amount of R475k.

- Fines, penalties and forfeits is budgeted for at R300k as it is still assumes that it is reasonable to collect.
- Licence and permit has been budgeted for at R475k which has anticipated as being realistic to collect the leaners licence income, building plans and business licences.
- Equitable share the municipality has been gazetted an amount of R115 million, Financial Management Grant an amount of R1.9 million has been gazetted. For Expanded Public Works

Programme Grant has been gazetted an amount of R1.6 million and the Library grant has been gazetted an amount of R2.6 million. The total of R158.6 million from Transfers and Subsidies included all the grants allocations mentioned above.

- Other income included Sale of tender documents, clearance certificates, Skills levy refunds and dumping fees.
- Employee related cost is budgeted at R65.5 million which includes vacant posts. The estimated increase amount to 7.3% .
- Remuneration of Councillors is currently budgeted at R10.7 million taking in to consideration the determination of upper limits for councillors.
- Depreciation is budgeted at R2 million taking in to consideration the methods of depreciation.
- Contracted services budgeted at R40.3 million taking into consideration the inflation rate. There are new contracts that results in higher increase of contracted services.
- Capital expenditure estimates allocation gazetted at R24.5 million for Municipal Infrastructure Grant. The MIG Expenditure excludes the 5% top slice.

Section 10- Overview of budget funding

- The funding from National and Provincial Grants
- Municipal Own Revenue

Section 11- Expenditure on allocations of grant programme

- The allocation of grants for equitable share is unconditional
- The allocation received for Finance Management Grant is used as per the Financial Management grant Support Plan.
- The Municipal Infrastructure Grant is utilised as per the support plan submitted to Department of Co-operative Governance.
- Expanded Public Works Programme is also directly utilised as per the support plan submitted to Department of Public Works.

KZN281 Mfolozi - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		75 693	105 749	111 923	123 432	1 331	124 763	129 561	136 626	147 987
Local Government Equitable Share		67 325	93 949	98 724	107 114		107 114	115 041	127 726	139 087
Integrated National Electrification Programme		5 113	9 000	9 725	13 000		13 000	11 000	7 000	7 000
EPWP Incentive		1 455	1 000	1 649	1 418		1 418	1 620	–	–
Finance Management		1 800	1 800	1 825	1 900		1 900	1 900	1 900	1 900
Municipal Systems Improvement										
MIG - 5%						1 331	1 331			
Provincial Government:		–	–	–	–	–	–	689	–	–
Sport and Recreation								89	–	–
Schemes Support Grant								600	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		9 283	4 480	1 922	2 007	375	2 382	2 626	2 777	2 937
Provincialisation of Libraries				1 922	2 007	–	2 007	2 626	2 777	2 937
Other Grant		9 283	4 480			375	375			
Total operating expenditure of Transfers and Grants		84 976	110 229	113 845	125 439	1 706	127 145	132 876	139 403	150 924
Capital expenditure of Transfers and Grants										
National Government:		37 617	31 372	24 049	26 623	(1 331)	25 292	25 761	26 224	27 505
Municipal Infrastructure Grant (MIG)		37 617	31 372	24 049	26 623	(1 331)	25 292	25 761	26 224	27 505
Other capital transfers/grants [insert desc]										
Provincial Government:		–	–	7 000	4 000	2 000	6 000	–	–	–
Small Town Rehabilitation & Sport and Recreation				7 000	4 000	2 000	6 000			
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
Provincialisation of L										
Total capital expenditure of Transfers and Grants		37 617	31 372	31 049	30 623	669	31 292	25 761	26 224	27 505
TOTAL EXPENDITURE OF TRANSFERS AND GRANT		122 593	141 601	144 894	156 062	2 375	158 437	158 637	165 627	178 429

Section 12- Councillor and board member allowances and employee benefits

KZN281 Mfolozi - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
	1	A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages					6 789	951	7 740	7 740	7 932	7 932
Pension and UIF Contributions										
Medical Aid Contributions										
Motor Vehicle Allowance					1 120	166	1 286	1 286	1 350	1 350
Cellphone Allowance					752	894	1 346	1 465	1 465	1 465
Housing Allowances										
Other benefits and allowances					187	(68)	119			
Sub Total - Councillors		–	–	–	8 848	1 943	10 491	10 491	10 748	10 748
% increase	4		–	–	–	(78,0%)	439,9%	(0,0%)	2,5%	–
Senior Managers of the Municipality	2									
Basic Salaries and Wages					3 702		3 702	4 030	4 006	4 481
Pension and UIF Contributions					9		9	9	9	9
Medical Aid Contributions					194		194	187	187	187
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3				1 412		1 412	1 432	1 432	1 432
Cellphone Allowance	3				90		90	96	96	96
Housing Allowances	3									
Other benefits and allowances	3				217	(74)	143	155	154	172
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		–	–	–	5 624	(74)	5 550	5 909	5 884	6 377
% increase	4		–	–	–	(101,3%)	(7 600,0%)	6,5%	(0,4%)	8,4%
Other Municipal Staff										
Basic Salaries and Wages					23 340	3 588	26 928	33 581	36 261	39 981
Pension and UIF Contributions					3 847	91	3 938	4 569	5 362	5 934
Medical Aid Contributions					2 345	101	2 446	2 766	3 155	3 105
Overtime					998	208	1 206	1 697	1 700	1 700
Performance Bonus					1 812	77	1 889	2 235	2 455	2 487
Motor Vehicle Allowance	3				2 960	50	3 010	3 863	4 266	4 750
Cellphone Allowance	3				216	12	228	234	246	234
Housing Allowances	3				152	–	152	156	156	156
Other benefits and allowances	3				1 611	(664)	947	1 645	1 820	1 945
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff		–	–	–	37 281	3 463	40 744	50 747	55 422	60 290
% increase	4		–	–	–	(90,7%)	1 076,6%	24,6%	9,2%	8,8%
Total Parent Municipality		–	–	–	51 753	5 332	56 785	67 147	72 053	77 415
			–	–	–	(89,7%)	965,0%	18,2%	7,3%	7,4%
Sub Total - Other Staff of Entities		–	–	–	–	–	–	–	–	–
% increase	4		–	–	–	–	–	–	–	–
Total Municipal Entities		–	–	–	–	–	–	–	–	–
TOTAL SALARY, ALLOWANCES & BENEFITS		–	–	–	51 753	5 332	56 785	67 147	72 053	77 415
% increase	4		–	–	–	(89,7%)	965,0%	18,2%	7,3%	7,4%
TOTAL MANAGERS AND STAFF	5,7	–	–	–	42 905	3 389	46 294	56 656	61 305	66 668

Section 13 -Monthly targets for revenue, expenditure and cash flow

Budgeted monthly revenue and expenditure table SA25

KZN281 Mfolozi - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue By Source																
Property rates		1 386	1 386	1 386	1 386	1 386	1 386	1 386	1 386	1 386	1 386	1 386	1 386	16 630	17 462	18 335
Service charges - electricity revenue													–	–	–	–
Service charges - water revenue													–	–	–	–
Service charges - sanitation revenue													–	–	–	–
Service charges - refuse revenue		33	33	33	33	33	33	33	33	33	33	33	33	400	420	441
Service charges - other													–	–	–	–
Rental of facilities and equipment		18	18	18	18	18	18	18	18	18	18	18	18	220	231	243
Interest earned - external investments		25	25	25	25	25	25	25	25	25	25	25	25	300	315	331
Interest earned - outstanding debtors		35	35	35	35	35	35	35	35	35	35	35	35	420	441	463
Dividends received													–	–	–	–
Fines, penalties and forfeits		25	25	25	25	25	25	25	25	25	25	25	25	300	315	331
Licences and permits		40	40	40	40	40	40	40	40	40	40	40	40	475	499	524
Agency services													–	–	–	–
Transfers and subsidies		44 322				44 322				44 322			(90)	132 876	139 403	150 924
Other revenue		23	23	23	23	23	23	23	23	23	23	23	23	276	290	304
Gains on disposal of PPE													–	–	–	–
Total Revenue (excluding capital transfers and con		**45 907**	**1 585**	**1 585**	**1 585**	**45 907**	**1 585**	**1 585**	**1 585**	**45 907**	**1 585**	**1 585**	**1 495**	**151 897**	**159 375**	**171 894**
Expenditure By Type																
Employee related costs		4 721	4 721	4 721	4 721	4 721	4 721	4 721	4 721	4 721	4 721	4 721	4 721	56 656	61 305	66 668
Remuneration of councillors		874	874	874	874	874	874	874	874	874	874	874	874	10 491	10 748	10 748
Debt impairment		63	63	63	63	63	63	63	63	63	63	63	63	750	788	827
Depreciation & asset impairment		167	167	167	167	167	167	167	167	167	167	167	167	2 000	2 100	2 205
Finance charges													530	530	852	888
Bulk purchases													–	–	–	–
Other materials		440	440	440	440	440	440	440	440	440	440	440	440	5 281	5 599	5 820
Contracted services		3 365	3 365	3 365	3 365	3 365	3 365	3 365	3 365	3 365	3 365	3 365	3 365	40 380	37 018	41 043
Transfers and subsidies		72	72	72	72	72	72	72	72	72	72	72	72	865	1 590	1 736
Other expenditure		2 687	2 687	2 687	2 687	2 687	2 687	2 687	2 687	2 687	2 687	2 687	2 687	32 243	33 255	35 087
Loss on disposal of PPE													–	–	–	–
Total Expenditure		**12 389**	**12 389**	**12 389**	**12 389**	**12 389**	**12 389**	**12 389**	**12 389**	**12 389**	**12 389**	**12 389**	**12 919**	**149 195**	**153 255**	**165 022**
Surplus/(Deficit)		**33 518**	**(10 804)**	**(10 804)**	**(10 804)**	**33 518**	**(10 804)**	**(10 804)**	**(10 804)**	**33 518**	**(10 804)**	**(10 804)**	**(11 424)**	**2 702**	**6 121**	**6 872**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		8 587					8 587			8 587			–	25 761	26 224	27 505
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)													–	–	–	–
Transfers and subsidies - capital (in-kind - all)													–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**42 105**	**(10 804)**	**(10 804)**	**(10 804)**	**33 518**	**(2 217)**	**(10 804)**	**(10 804)**	**42 105**	**(10 804)**	**(10 804)**	**(11 424)**	**28 463**	**32 345**	**34 377**
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	**42 105**	**(10 804)**	**(10 804)**	**(10 804)**	**33 518**	**(2 217)**	**(10 804)**	**(10 804)**	**42 105**	**(10 804)**	**(10 804)**	**(11 424)**	**28 463**	**32 345**	**34 377**

Budgeted Monthly revenue and expenditure by Municipal Vote table SA26

KZN281 Mfolozi - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote																
Vote 1 - [EXECUTIVE AND COUNCIL]													–	–	–	–
Vote 2 - [FINANCIAL SERVICES]		12 232	12 232	12 232	12 232	12 232	12 232	12 232	12 232	12 232	12 232	12 232	12 232	146 787	155 784	168 103
Vote 3 - [CORPORATE SERVICES]		25	25	25	25	25	25	25	25	25	25	25	25	300	315	331
Vote 4 - [COMMUNITY SERVICES]		266	266	266	266	266	266	266	266	266	266	266	266	3 190	3 276	3 461
Vote 5 - [TECHNICAL SERVICES]		2 282	2 282	2 282	2 282	2 282	2 282	2 282	2 282	2 282	2 282	2 282	2 282	27 381	26 224	27 505
Vote 6 - [NAME OF VOTE 6]													–	–	–	–
Vote 7 - [NAME OF VOTE 7]													–	–	–	–
Vote 8 - [NAME OF VOTE 8]													–	–	–	–
Vote 9 - [NAME OF VOTE 9]													–	–	–	–
Vote 10 - [NAME OF VOTE 10]													–	–	–	–
Vote 11 - [NAME OF VOTE 11]													–	–	–	–
Vote 12 - [NAME OF VOTE 12]													–	–	–	–
Vote 13 - [NAME OF VOTE 13]													–	–	–	–
Vote 14 - [NAME OF VOTE 14]													–	–	–	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
Total Revenue by Vote		14 805	14 805	14 805	14 805	14 805	14 805	14 805	14 805	14 805	14 805	14 805	14 805	177 658	185 599	199 399
Expenditure by Vote to be appropriated																
Vote 1 - [EXECUTIVE AND COUNCIL]		3 348	3 348	3 348	3 348	3 348	3 348	3 348	3 348	3 348	3 348	3 348	3 348	40 174	42 390	45 143
Vote 2 - [FINANCIAL SERVICES]		2 036	2 036	2 036	2 036	2 036	2 036	2 036	2 036	2 036	2 036	2 036	2 036	24 436	25 833	27 657
Vote 3 - [CORPORATE SERVICES]		2 139	2 139	2 139	2 139	2 139	2 139	2 139	2 139	2 139	2 139	2 139	2 139	25 665	26 709	26 918
Vote 4 - [COMMUNITY SERVICES]		2 111	2 111	2 111	2 111	2 111	2 111	2 111	2 111	2 111	2 111	2 111	2 111	25 330	27 270	29 017
Vote 5 - [TECHNICAL SERVICES]		2 799	2 799	2 799	2 799	2 799	2 799	2 799	2 799	2 799	2 799	2 799	2 799	33 590	31 052	36 286
Vote 6 - [NAME OF VOTE 6]													–	–	–	–
Vote 7 - [NAME OF VOTE 7]													–	–	–	–
Vote 8 - [NAME OF VOTE 8]													–	–	–	–
Vote 9 - [NAME OF VOTE 9]													–	–	–	–
Vote 10 - [NAME OF VOTE 10]													–	–	–	–
Vote 11 - [NAME OF VOTE 11]													–	–	–	–
Vote 12 - [NAME OF VOTE 12]													–	–	–	–
Vote 13 - [NAME OF VOTE 13]													–	–	–	–
Vote 14 - [NAME OF VOTE 14]													–	–	–	–
Vote 15 - [NAME OF VOTE 15]													–	–	–	–
Total Expenditure by Vote		12 433	12 433	12 433	12 433	12 433	12 433	12 433	12 433	12 433	12 433	12 433	12 433	149 195	153 255	165 022
Surplus/(Deficit) before assoc.		2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	28 463	32 344	34 377
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	28 463	32 344	34 377

Section 14 - Annual Budget and service delivery agreements and other external mechanisms

The list of external mechanisms which will be assisting with maintaining and ensuring that service delivery is achieved at higher level.

KZN281 Mfolozi - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. R thousand
Protea Consulting	Yrs	3	Performance Management System & AFS Preparation		
Umnotho Business Consulting	Yrs	3	Internal Audit & Document Management System		
Brand Partners	Yrs	3	Advertising & Marketing		
Zululand FM	Yrs	3	Publicity		
Bytes System	Yrs	3	IT Consuting		
uMbono Wellness	Yrs	3	Employee Wellness Programme		
Delta Blue Trading	Yrs	3	VAT Consultant		
Olix Consulting	Yrs	3	mSCOA & IT Advisory		
CCG Systems	Yrs	3	Financial System & Accounting Support		

Section 15 - Contracts having future budgetary implications

The Council does not have contracts with future budgetary implication

KZN281 Mfolozi - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework			Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Operating Revenue Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Operating Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Capital Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Parent Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Entities:														
Revenue Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Operating Revenue Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Operating Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Capital Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Entity Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–

Section 16 - Capital Expenditure Details

Budgeted Monthly Capital Expenditure by functional classification

KZN281 Mfolozi - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital Expenditure - Functional	1															
Governance and administration		282	282	282	282	282	282	282	282	282	282	282	282	3 382	6 830	7 607
Executive and council		38	38	38	38	38	38	38	38	38	38	38	38	450	473	496
Finance and administration		244	244	244	244	244	244	244	244	244	244	244	244	2 932	6 357	7 111
Internal audit													–	–	–	–
Community and public safety		1 231	1 231	1 231	1 231	1 231	1 231	1 231	1 231	1 231	1 231	1 231	1 231	14 772	12 512	15 734
Community and social services		1 231	1 231	1 231	1 231	1 231	1 231	1 231	1 231	1 231	1 231	1 231	1 231	14 772	12 512	15 734
Sport and recreation													–	–	–	–
Public safety													–	–	–	–
Housing													–	–	–	–
Health													–	–	–	–
Economic and environmental services		859	859	859	859	859	859	859	859	859	859	859	859	10 309	13 002	11 037
Planning and development		816	816	816	816	816	816	816	816	816	816	816	816	9 789	12 456	10 452
Road transport		43	43	43	43	43	43	43	43	43	43	43	43	520	546	585
Environmental protection													–	–	–	–
Trading services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Energy sources													–	–	–	–
Water management													–	–	–	–
Waste water management													–	–	–	–
Waste management													–	–	–	–
Other													–	–	–	–
Total Capital Expenditure - Functional	2	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	2 372	28 463	32 344	34 377
Funded by:																
National Government		8 158					8 158			8 158			–	24 473	24 913	26 130
Provincial Government													–	–	–	–
District Municipality													–	–	–	–
Other transfers and grants													–	–	–	–
Transfers recognised - capital		8 158	–	–	–	–	8 158	–	–	8 158	–	–	–	24 473	24 913	26 130
Public contributions & donations													–	–	–	–
Borrowing													–	–	–	–
Internally generated funds		333	333	333	333	333	333	333	333	333	333	333	333	3 990	7 432	8 248
Total Capital Funding		8 490	333	333	333	333	8 490	333	333	8 490	333	333	333	28 463	32 344	34 377

Section 17 - Legislative compliance status

The Council of uMfolozi Municipality has complied with all the minimum requirements in terms of implementation of the Municipal Standard Charts of Accounts to ensure that the system is effectively implemented before the 01st of July 2017.

Section 18 – Other supporting documents

KZN281 Mfolozi - Supporting Table SA37 Projects delayed from previous financial years

Municipal Vote/Capital project	Ref.	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1,2						Year	Original Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Parent municipality:												
List all capital projects grouped by Municipal Vote				*Examples*	*Examples*							
Entities:												
List all capital projects grouped by Municipal Entity												
Entity Name												
Project name												

uMFOLOZI LOCAL MUNICIPALITY
KZ281

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03 APRIL 2018

QUALITY CERTIFICATE

I GAMEDE, K.E, Municipal Manager of uMfolozi Local Municipality, hereby certify that the Draft Annual Budget and supporting have been in accordance with the Municipal Finance Management Act and the regulations made under the Act and that the Draft Annual Budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

Print name GAMEDE, KHUMOKWAKHE ELIOT

Municipal Manager of UMFOLOZI LOCAL MUNICIPALITY
(Name and ~~demarcation~~ code of municipality)

Signature KEGamede

Date 2018. 04. 03

Tel: 035-580 1421 Fax: 035-580 1141 Cell: 083 637 0642 Email: gamedeke@mbonambi.co.za